

A Work Project, presented as part of the requirements for the Award of a Masters  
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## Winning the War for Talent

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### Does CSR Matter in the Recruitment Process?

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**Abstract**

The prevailing "war for talent" induced this research which aims to find out if CSR can be a competitive advantage in the recruitment process. The results of two studies conducted in the scope of this research demonstrate that applicants highly value CSR in the job-seeking process; especially employee-related CSR. Further, they prefer companies engaging in CSR over those that do not. For businesses this implies that they have to invest in employee-related CSR and advertize it to prospective applicants. Organizations should realize that CSR can be a recruitment specific competitive advantage helping to attract a bigger applicant pool.

**Keywords:** corporate social responsibility, social identity theory, recruitment, prospective employees

## **1 - Introduction**

“McKinsey estimated in a recent report that there could be an 18 million person shortage in the supply of high skill, college-educated workers by 2020.” (Business Insider, 2012). This statement precisely formulates the problem of today's business world. Advances in technology generate the need for highly skilled professionals who are able to control the new technology and drive businesses forward. Development progressed at a high speed and society could not keep up with providing the highly educated workforce needed to exploit the newly created opportunities. This led to the "war for talent" that businesses are facing today. They have to find ways to trump competitors and persuade applicants to sign with them. (McKinsey, 2012)

This challenging situation introduces the motivation for the research at hand. As organizations no longer have the sole power in the labor market and applicants are gaining more influence, companies need to find ways to distinguish themselves from their competition and be extra attractive to recruit needed talent. (McKinsey, 2012)

This work project focuses on the potential benefits of corporate social responsibility (CSR) in recruitment. The popular perception is that CSR matters and has beneficial influence on a company's success. The goal of this study is to find out if CSR also matters for attracting talent beyond general recruitment criteria. Focusing on the potential benefits of CSR in the recruitment process, the objective of the work project is to find the answer to the following questions: Does CSR matter to applicants when looking for an employer? Does CSR make an organization more attractive? The outcome will give indication for firms regarding how to attain a higher applicant attraction with the help of CSR.

To answer these questions, this research is divided into two studies. The first study indicates which organizational factors are most important to future applicants when applying for a job. It shows if CSR can keep up with the importance of other organizational attributes like salary and promotion opportunities. The second study introduces two fictional job ads. The treatment group receives a job ad with specific CSR activities. The control group has the same content only without the CSR part. This study measures if job attractiveness is related to CSR. The samples for both studies consist of students who represent future applicants that companies have to attract.

The research at hand consists of seven chapters of which this introduction is the first one. It is followed by a literature review, which introduces the conceptual background of CSR in general and in relation to organizational attractiveness and employees, on the basis of Social Identity Theory. The subsequent chapter presents the methodology. The fourth chapter portrays the results of both studies. They are discussed in the following chapter. The sixth chapter briefly acknowledges the limitations of the research. To round off this work, the last chapter concludes the findings, gives advice on how to benefit from the results, and gives suggestions for future research.

## **2 - Conceptual background**

***Social Identity Theory.*** This study is based on the theoretical framework of Social Identity Theory (SIT) which has mainly been developed by Tajfel (1974) and Turner (1975). It claims that individuals strive to be part of a group because the social categorization is needed to define the individual's own role and function within the social society. Turner (1975) calls this "social categorization" which means that the individual will identify with a social group or category like gender, religion, or nationality (Tajfel, 1974). Further, the individual will identify with group norms, values,

and successes, but also with its failures (Tajfel, 1974). Both Tajfel and (1974) Turner (1975) explain that an individual can be part of more than one group and that the role the individual assumes changes depending on the social context (mother, friend, employee etc.). Smidts et al. (2001) claim that SIT indicates that there are two reasons for identification; namely "the need for self-categorization [...] and the need for self-enhancement" (Smidts et al., 2001)

Turner (1975) stresses that comparison and competition is an essential part of the identification process. Once an individual is member of a social group, it will compare the group values, successes, and failures with other groups. In doing so, the individual will try to rationalize own group behavior to appear more positive than the other groups'. The own group always has to be evaluated more positively than other groups by the individual or else she will try to leave the group (Turner, 1975). Ashforth and Mael (1989) used this approach and related it to the social environment within a company. Just as with social groups, employees and applicants will identify with a particular company they find attractive. In the course of that process, they adopt the company's values and norms (Kim et al., 2010).

Kim et al. (2010) found out that identification with a company can be achieved through CSR. Their results indicate that not the mere existence of CSR activities leads to identification but the active contribution e.g. through participation in employee volunteer activities. Greening and Turban (2000) found another link between CSR and SIT in their study. The results imply that a socially responsible company is perceived as trustworthy by prospective employees. This can cause the wish to identify with this company representing a social group. In addition, applicants will use CSR activities as an indicator to picture what working for that particular company would be like

(Greening and Turban, 2000). From that it can be inferred that CSR gives applicants the needed reason to want to identify with the company and be part of that social group.

***Corporate social responsibility.*** Several decades ago the social duties of companies have been mentioned for the first time and the understanding of CSR changed constantly since then (Carroll, 1999). The first definition of CSR that also induced the incorporation of CSR in business practices was developed by Bowen in 1953 and states that CSR "[...] refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of society" (Carroll, 1999). Since then, the definition of CSR evolved constantly and it was not only considered an important facet of the business world anymore, but a significant obligation towards society (Carroll, 1999). Its current official definition according to the World Business Council for Sustainable Development reads as follows: "Corporate Social Responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large." (WBCSD, 2013)

Studies found that there is more than one way for CSR to contribute to corporate success. They showed that CSR interacts positively with marketing (Mohr, 1998; Vaaland et al., 2008), consumer behavior (Yoon et al., 2006; Bhattacharya and Sen, 2004) and the company's financial performance (O'Bannon et al. 1997).

From that it can be concluded that choosing the right initiative is crucial for the company. A strategic fit of CSR is beneficial for the company and even improves its competitiveness (O'Brien, 2001; Porter and Kramer, 2006). A well-chosen and strategically applied CSR program that takes core business and main competencies into

consideration, can be the source of opportunity and innovation, which can create a competitive advantage (Porter and Kramer, 2006).

However, to make sure that CSR really has a positive effect on corporate performance, the company has to know which stakeholders they want to reach with certain CSR activities. Freeman (1984) defines stakeholders as "any group or individual who can affect or is effected by the achievement of the organization's objectives." CSR can be internal or external, depending on the stakeholders it aims at (Kim, 2010) which can be internal or external as well (Freeman, 1984). Internal stakeholders are the owners themselves, customers, employees, and suppliers (Freeman, 1984). The external stakeholders include governments, competitors, consumer advocates, environmentalists, special interest groups, and media (Freeman, 1984). Although all of these stakeholders are important to be considered, this research focuses on employees and potential applicants as stakeholders that are affected by CSR measures.

Turker (2009) created a questionnaire to measure CSR by categorizing CSR related items into society, nature, future generations, and NGOs; employees; customers; and government. To test how potential applicants evaluate CSR, the areas society, nature, future generations, and NGOs (further referred to as society); and employees are taken into consideration in the current research and constitute the variable "CSR".

***CSR and employees.*** Literature suggests that CSR initiatives also influence a company's most valuable asset – employees. It helps the firms to sustain a positive relationship with their workforce which in turn can increase their loyalty, company identification, and productivity (McShane et al., 2011; Brammer et al., 2007). This relationship is attributable to the enhanced firm reputation.

A positive company reputation makes employees feel good and confident about working there (Peterson, 2004); they feel proud (McShane et al., 2011) of being a part of a certain enterprise and therefore, want to support it in the best possible manner (Dutton and Dukerich, 1991). This phenomena explains higher productivity in organizations with social or environmental programs (McShane et al., 2011; Peterson, 2004). Various surveys taken by employees in different companies support these findings (McShane et al., 2011). Respondents stated that socially and environmentally responsible corporate actions are an important aspect for them and even deciding in the application process of graduates (McShane et al., 2011; Turban and Greening, 1996).

Research suggests that organizational commitment is strongly interconnected with e.g. turnover and absenteeism (McShane et al., 2011). From that it is possible to infer that CSR has an essential role in human resources and the recruitment process as it attracts a larger applicant pool and increases the chance to establish a highly qualified workforce. Thus, businesses can create a hard-to-imitate competitive advantage that distinguishes them from other, not socially active organizations (Brammer et al., 2007; Pohl and Hittner, 2008).

However, it is vital to consider that not only the mere existence of a CSR program is inducing said positive effects (McGuire et al., 1988; Glavas and Godwin, 2013). The employees' perception of the quality of such activities is deciding in that matter (McShane et al. 2011; Peterson, 2004). Only if the perception of the social initiatives is positive and the workforce can identify with the company and its values (Brammer et al., 2007), the organization can benefit from its social responsibility with regard to human resources. This again shows a significant link to SIT, which stresses the importance of identification for employees (Ashforth and Mael, 1989).



***CSR and organizational attractiveness.*** Various studies revealed that company image is a central issue in employee recruitment as it boosts organizational attractiveness (Bourhis and Mekkaoui, 2010; Gomes and Neves, 2011).

According to Gomes and Neves (2011), common aspects that determine organizational aspects are e.g. job security, work policies, career perspectives, image of the company as employer, reputation, pay, benefits, training. Thomas and Wise (1999) also found out that job characteristics are a main determinant of job attractiveness. Turban (2001) developed a questionnaire including the variable "job attractiveness". The related questions have been taken to measure said variable in the research at hand. Another aspect that can influence the attractiveness of a potential employer can be family friendly practices. They are especially important for parents or applicants planning to start a family in the near future (Bourhis and Mekkaoui, 2010). Berthon et al. (2005) developed a questionnaire to assess the importance of various general organizational attributes. This questionnaire is the basis to measure the variable "organizational attractiveness" in the current research work.

Graduates use different organizational attributes to decide if they consider a company a prospect employer. To them, brand awareness, familiarity with the company, and particular (on campus) recruitment activities are of special interest (Turban, 2001).

Gomes and Neves (2011) reveal that not only mere facts but also the individual's perception of certain attributes matters. An organization can be highly attractive to one person, but unappealing to another. According to Newburry et al. (2006), these differences of perception can be due to gender, nationality, age, or educational level. Other perception-altering factors are e.g. applicant personality (Lievens et al., 2001; Schreurs et al., 2009), or family status (Bourhis and Mekkaoui, 2010).

Besides the conventional factors that impact organizational attractiveness, CSR is a critical feature that effects organizational attractiveness (Greening and Turban, 2010). Jones et al. (2010) found that "[...] job seekers' perceptions of community-focused and environmentally-focused practices predicted organizational attractiveness beyond the effects of other variables (e.g., job offer expectancy)." The support of e.g. diversity at the workplace contributes to an organization's attractiveness (Lis, 2012; Albinger and Freeman, 2000). These findings will be further examined in this research. The first hypothesis refers to the importance of CSR in the application process.

*H1 - CSR is an important attribute when looking for an employer*

Jones et al. (2010) suggest that job seekers find socially concerned companies more attractive than those which do not engage in CSR. Further they note that "perceived value fit, employer prestige, and expected employee treatment" (Jones et al., 2010) are the main reasons why applicants prefer socially responsible organizations. These finding can be related to SIT, as individuals (applicants), have to find a social group (organization) attractive to want to identify with it (Tajfel, 1974; Ashforth and Mael, 1989). Using these results as a starting point, the second hypothesis relates to applicants' preferences for organizations with or without CSR programs.

*H2 - CSR makes an organization more attractive to potential applicants*

### **3 - Methodology**

The research design contains two studies. Each uses a survey to gather data. The first study aims to find out which job factors future applicants value the most. The second study examines if an existing CSR program makes an organization more attractive.

**Study one.** The questionnaire (appendix 1) contains 40 items related to organizational attractiveness and CSR which are divided into subscales. A subscale labels items that

belong to one category. Subscales must pass a reliability test and have a Cronbach's Alpha of  $\alpha \geq 0.7$ .

*Organizational attractiveness.* There are five subscales for this variable. "Interest value" ( $\alpha=0.811$ ) relates to the attraction to an employer who covers aspects like providing an exciting work environment and the utilization of the employee's creativity in its business. The aspect "social value" ( $\alpha=0.864$ ) refers to the attraction to an employer who offers social qualities like a fun working environment and good relationships to colleagues and superiors. The "economic value" ( $\alpha=0.755$ ) describes the attraction to an employer who offers e.g. an above-average salary or good promotion opportunities. Management recognition and self-worth are some issues considered in "development value" ( $\alpha=0.845$ ). "Application value" ( $\alpha=0.699$ ) relates to an employer who values customer-orientation and humanitarianism.

The questions representing the above subscales have been taken from a previous study by Berthon et al. (2005). To complement these subscales, three items have been picked from another study (Thomas & Wise, 1999). The items "challenging and interesting work" and "training opportunities" have been added to the subscale "development value" because they correspond to the items used by Berthon et al. (2005). The item "corporate image and reputation" has been added to the subscale "social value" as it represents an intangible trait of a company that has an psychological effect on the applicant like the other items developed by Berthon et al. (2005).

*CSR.* Two subscales make up this variable. "CSR to employees" ( $\alpha=0.865$ ) relates to employers who e.g. support employees who want to acquire additional education or employ policies which initiate a good work-life balance. "CSR to society" ( $\alpha=0.898$ ) refers to charitable financial donations a company makes and its implementation of

practices to minimize its negative impact on the natural environment. The corresponding items as well as the subscales are taken from Turker (2009).

The items' importance is measured on a five point Likert scale ranging from "Very Unimportant" to "Very Important". All answers have been gathered online using the survey tool Qualtrics. The survey link was distributed on Facebook in various user groups frequented by students. In total, there are 96 valid responds of students aged 19 to 30 years, with a mean age of 24 years. Seventy-three per cent are completing a Master's degree and 70% are studying a subject in the field of Business and Economics. Sixty-six per cent are female, which could bias the results.

**Study two.** The second research phase includes two job ads for a fictitious company (appendix 3) and the corresponding questionnaire (appendix 2). One job ad includes a CSR program (treatment group), the other is exactly the same but without the CSR part (control group). There are five questions, which cover the applicant's likeliness to make an effort to apply, be interested in applying for the job, like to work for the company, and accept a job offer. A control question asks for the likeliness of only being interested in the company as a last resort. These questions have been adopted from Turban (2001). They constitute the variable "job attractiveness" which was measured on a five point Likert scale ranging from "Very Unlikely" to "Very Likely".

*Treatment group.* This survey was only taken offline and all of the 120 questionnaire have been answered at Nova School of Business and Economics (Nova) in Lisbon, Portugal. The participants' age ranges from 19 to 38 years with a mean age of 23 years. The majority of 69.2% is from Portugal and 50.8% of the respondents are male. Almost all, 99.2%, study a subject related to Business and Economics, and 95.8% are completing their Master's degree.

*Control group.* The link to the survey was posted in user groups on Facebook and gathered 37 valid responses. In addition, 83 surveys have been taken offline at Nova. All 120 respondents are students and aged between 16 and 33 years with a mean age of 23 years with 53.3% being female. Sixty-five per cent are from Portugal and 20.8% are from Germany. In total, 86.7% are completing their Master's degree; 90% in the field of Business and Economics.

#### 4 - Results

The previously defined hypotheses were tested by applying mean comparison and ANOVA analysis using the statistical analysis program SPSS. The mean comparison shows that CSR is not to be neglected in the recruitment process. The results of the statistical data analysis led to the acceptance of the previously determined hypotheses.

**Study 1.** One outcome of the first survey indicates that the general items constituting "organizational attractiveness" ( $\bar{x}=3,90$ ) are valued higher than "CSR" factors ( $\bar{x}=3,70$ ) as illustrated in table 1.

Table 1  
*Mean table for study one*

Variable	N	Mean
Organizational Attractiveness	96	3,90
OA_interest value	96	3,72
OA_social value	96	4,04
OA_economic value	96	3,92
OA_development value	96	4,08
OA_application value	96	3,36
CSR	96	3,70
CSR_society	96	3,49
CSR_employees	96	4,16

Table 2  
*Mean table - CSR*

<b>CSR to society</b>	N	Mean
The company is known as a respected and trustworthy company	96	3,92
The company targets sustainable growth which considers future generations	96	3,85
The company implements special programs to minimize its negative impact on the natural environment	96	3,71
The company makes well-planned investments to avoid environmental degradation	96	3,69
The company endeavors to create employment opportunities	96	3,63
The company contributes to campaign and projects that promote the well-being of	96	3,34

the society		
The company contributes to schools, hospitals, and parks according to the needs of the society	96	3,19
The company encourages its employees to participate in voluntary activities	96	3,08
The company makes sufficient monetary contributions to charities	96	3,04
<b>CSR to employees</b>		
The company implements flexible policies to provide a good work and life balance for its employees	96	4,38
The company offers sufficient numbers of opportunities to develop my skills in my current job	96	4,22
The company policies encourage the employees to develop their skills and careers	96	4,06
The company supports employees who want to acquire additional education	96	3,98

Table 3  
*Mean table – Organizational Attractiveness*

<b>Interest Value</b>	N	Mean
Working in an exciting environment	96	3,94
The organization both values and makes use of your creativity	96	3,84
Innovative employer – novel work practices/forward-thinking	96	3,77
The organization produces high-quality products and services	96	3,69
The organization produces innovative products and services	96	3,36
<b>Social Value</b>		
Having a good relationship with your colleagues	96	4,36
Happy work environment	96	4,15
Having a good relationship with your superiors	96	4,05
Supportive and encouraging colleagues	96	4,02
Acceptance and belonging	96	4,02
A fun working environment	96	4,00
Corporate image and reputation	96	3,67
<b>Economic value</b>		
Good promotion opportunities within the organization	96	4,01
An attractive overall compensation package	96	3,96
Job security within the organization	96	3,86
An above average basic salary	96	3,83
<b>Development value</b>		
Challenging and interesting work	96	4,36
Gaining career-enhancing experience	96	4,36
Training opportunities	96	4,16
Feeling good about yourself as a result of working for a particular organization	96	4,13
Recognition/appreciation from management	96	4,09
A springboard for future employment	96	4,06
Feeling more self-confident as a result of working for a particular organization	96	3,92
Hands-on inter-departmental experience	96	3,54
<b>Application value</b>		
The organization is customer-oriented	96	3,47
Humanitarian organization - gives back to society	96	3,46
Opportunity to teach others what you have learned	96	3,17

With the variable "organizational attractiveness", the subscale "development value" ( $\bar{x}=4.08$ ) received the highest rating by respondents. Similarly important is the "social value" ( $\bar{x}=4.04$ ). The least important consider respondents the "application value"

( $\bar{x}$  = 3.36). Within the variable "CSR", there is a distinct difference between "CSR to employees" ( $\bar{x}$  = 4.16) and "CSR to society" ( $\bar{x}$  = 3.49). In relation to all subscales, "CSR to employees" is even the highest rated subscale (see table 1). This validates the hypothesis "*H1 - CSR is an important attribute when looking for an employer.*"

**Study 2.** Comparing the results of the treatment and control group, shows that CSR does make a job more attractive as illustrated in table 4. The ANOVA analysis shows a significant difference ( $p$  = .008) between "job attractiveness" with CSR ( $\bar{x}$  = 3.39) and without CSR ( $\bar{x}$  = 3.19) at the .05 level. This clear evidence illustrates the importance of CSR in recruitment. The results show that the hypothesis "*H2 - CSR makes an organization more attractive to potential applicants.*" is valid as well.

Looking at each item of the variable "Job Attractiveness", the rating of likeliness for "I would like to work for the company.", for the treatment group ( $\bar{x}$  = 3.73), differs significantly ( $p$  = .000) from the rating of the control group ( $\bar{x}$  = 3.28). They differ at the .001 significance level. This information is presented in table 5 and table 6.

Table 4  
ANOVA table – Job Attractiveness \* group

		Sum of Squares	df	Mean Square	F	Sig.
JA * group	Between Groups (combined)	2,32	1	2,321	7,091	,008
	Within Groups	77,89	238	,327		
	Total	80,21	239			

Table 5  
Job Attractiveness – with CSR/without CSR

Job Attractiveness – with CSR/without CSR							
group		Job Attractiveness	I would exert a great deal of effort to work for this company.	I would be interested in applying for a job with the company.	I would like to work for the company.	I would accept a job offer.	I would not be interested in the company except as a last resort.
Without CSR	Mean	3,19	3,06	3,31	3,28	3,64	2,63

	N	120	120	120	120	119	120
With CSR	Mean	3,39	3,40	3,71	3,73	3,70	2,40
	N	120	120	120	119	120	120
Total	Mean	3,29	3,23	3,51	3,51	3,67	2,52
	N	240	240	240	239	239	240

Table 6  
ANOVA table – Items \* group

			Sum of Squares	Df	Mean Square	F	Sig.
JA * group	Between Groups	(Combined)	2,32	1	2,32	7,091	<b>,008</b>
	Within Groups		77,89	238	0,33		
	Total		80,21	239			
I would exert a great deal of effort to work for this company. * group	Between Groups	(Combined)	7,00	1	7,00	7,530	<b>,007</b>
	Within Groups		221,39	238	0,93		
	Total		228,40	239			
I would be interested in applying for a job with the company. * group	Between Groups	(Combined)	9,60	1	9,60	8,708	<b>,003</b>
	Within Groups		262,38	238	1,10		
	Total		271,98	239			
I would like to work for the company. * group	Between Groups	(Combined)	11,98	1	11,98	13,281	<b>,000</b>
	Within Groups		213,76	237	0,90		
	Total		225,74	238			
I would accept a job offer. * group	Between Groups	(Combined)	0,22	1	0,22	,239	,625
	Within Groups		222,66	237	0,94		
	Total		222,89	238			
I would not be interested in the company except as a last resort. * group	Between Groups	(Combined)	3,27	1	3,27	2,83	,094
	Within Groups		274,67	238	1,15		
	Total		277,93	239			

## 5 – Discussion

The results show that both hypotheses are valid. CSR is not to be neglected in recruitment processes because it is as important to applicants as more general



organizational factors. Furthermore, it leads to an increased applicant attraction to a particular job or organization.

The results of the studies are in accord with literature that claims that CSR is an important factor for applicants when looking for employers (Turban and Greening, 1996; Albinger and Freeman, 2000; Lis, 2012). This is likely due to the fact that applicants use the CSR program to create an image of what working for the company might be like (Turban and Greening, 1996). They also connect CSR to own values and conclude if their personality would fit into a certain organization (Turban and Greening, 2000). For that reason CSR is an important aspect in the employer-finding process.

The present research also shows that "CSR to employees" seems more valuable than "CSR to society". Respondents showed the tendency to value practices that have an immediate positive influence on employees themselves much higher than initiatives that focus on the well-being of the environment and society. Accordingly, "CSR to employees" ( $\bar{x}=4.16$ ) was valued significantly higher than "CSR to society" ( $\bar{x}=3.49$ ). In line with the difference between both CSR subscales, the item "The company encourages its employees to participate in voluntary activities." reached the lowest mean ( $\bar{x}=3.08$ ) within "CSR to society". The subscale "CSR to employees" further substantiates this finding as the item "The company implements flexible policies to provide a good work and life balance for its employees." ( $\bar{x}=4.38$ ) is considered "important" to "very important" by 89.6% of the respondents. Similarly, the item "The company offers sufficient numbers of opportunities to develop my skills in my current job." was rated highly ( $\bar{x}=4.22$ ). These results are supported by Albinger and Freeman's (2000) who found that "prospective employees respond to corporate performance in areas that will affect them most directly [...]". Additionally they found

that an organization's performance related to its employees is a deciding factor in assessing an employer's attractiveness. Lis (2012) also found that prospective employees do not emphasize the importance of CSR towards society and the environment as much as the importance of CSR towards employees.

The second study shows that respondents prefer working for a company that engages in CSR. The mean comparison showed that a job at such a company was more attractive to the respondents than the same job at a company without CSR measures. This can be explained with the concept of Social Identity Theory (SIT) which "suggests that employee's self-image is influenced by the image and reputation of their employers." (Greening and Turban, 2000). Literature (Bhattacharya and Sen, 2004; Peterson, 2004) proposes that social responsibility programs improve a company's image and reputation. A favorable image and reputation, in turn, enhance a company's attractiveness as an employer, which encourages job seekers to apply for a job. This is supported by Smidts et al. (2001) who argue that perceived external prestige, which can be fostered with CSR (Greening and Turban, 1996; Kim et al., 2010), increases company identification. According to SIT, one of the reasons for company identification is self-enhancement (Smidts et al., 2001). The fact that respondents deemed the item "Feeling good about yourself as a result of working for a particular organization." (mean=4.13) as important is in line with these findings (Smidts et al., 2001; Greening and Turban, 1996). The implication of this is that applicants choose companies that make them feel good about working there because they reflect the positive image generated by socially responsible behavior on themselves (Kim et al., 2010; Greening and Turban, 1996; Smidts et al., 2001). Greening and Turban (2000) also note that

applicants infer future working conditions from the company's CSR program. Consequently, are attracted to the organization.

## **6 - Limitations**

The fact that 66% of the sample in the first study is female could bias the results. For the first study, common method variance may apply. Furthermore, the generalizability of the outcome of the whole research is limited due to the fact that the vast majority of the sample, especially of the second study sample, is Portuguese, studies in Portugal, and is doing their Master's in a business-related field. Moreover, the predominant university is Nova. Therefore, the results may not be applicable to students with different nationalities or another academic background to the same extent. Besides, the tone and content of the job ad in the second study could be a source of biased results. This risk, however, cannot be avoided as the perception of such job ads is subjective.

## **7 - Conclusion**

**Conclusion.** This study aimed to examine when CSR really matters in the context of recruitment and applicant attraction. Both hypotheses, "*H1 - CSR is an important attribute when looking for an employer*" and "*H2 - CSR makes a job more attractive to potential applicants*" could be proved valid. The survey results clearly showed that respondents attach as much importance to CSR aspects as to more traditional organizational attributes. The second part of the research illustrated an obvious preference for a job that is offered by a company that engages in CSR. Both results are in line with current literature and support previous findings. Moreover, they are supported by Social Identity Theory (Ashforth and Mael, 1989; Tajfel, 1974).

However, a predominant preference for employee-related CSR activities employees became apparent. They scored a significantly higher mean than activities directed at society. This is supported by Albinger and Freeman's (2000) findings.

Although the hypotheses could be validated and are in line with prevailing literature, there are some limitations to this study like the limited generalizability as the sample mainly consists of Portuguese students attending Nova in Lisbon, Portugal.

***Future research.*** Future research could examine which CSR aspects exactly have an attracting effect on applicants. This research already found out that CSR to employees is favored by applicants. It also presented information on which of the activities are valued most. However, future research could aim to find out which aspects are most important to applicants and could be used to advertise working for a particular company.

Another interesting aspect to be investigated is the applicants' familiarity with CSR programs. It would be worthy of note if applicants specifically look for companies with CSR programs, or if they look for potential employers and only then discover social responsibility. In addition to that, research could explore if applicants also evaluate CSR – company fit and the authenticity of the CSR measures, and if, consequently, they prefer one company over another. Meaning, if applicants deal with CSR programs in depth or only superficially before deciding to apply.

***Recommendations.*** The outcomes of this research present valuable insights for recruitment managers. It proves that applicants attach importance to CSR and would rather work for an organization employing a CSR program than for one without one.

This knowledge is particularly vital considering the current situation in the labor market. The "war for talent" (McKinsey, 2012) requires businesses to take all possible measures to differentiate from their competition and attract the attention of applicants.

Considering the outcomes of this research is a good starting point. The results show that applicants value those CSR activities most which affect employees. Sophisticated CSR activities that aim at society, will not be enough to attract talent.

Ashforth and Mael (1989) claim that an organization is comparable to a social group and applicants will decide if they want to be part of this group. This also means that applicants want to be able to identify with it (Kim et al., 2010) and assume its values and norms (Tajfel, 1974). To achieve that, the company has to present its CSR activities and take care that society knows about them to create external prestige which then attracts talent (Kim et al., 2010). This will make applicants more likely to be attracted to a certain company as an employer.

Moreover, the higher educated an applicant is and the more choices they have on the job market, the more they focus on a firm's social activities (Albinger and Freeman, 2000). Consequently, if an organization wants to gain a competitive advantage through recruiting highly educated employees, it has to invest in specific CSR.

Besides being known as a socially responsible organization, it is also critical to advertise the right CSR activities to potential applicants. As this study discovered, CSR directed at employees is valued significantly higher than CSR that is directed at society. This information should prompt recruitment managers to emphasize CSR activities, especially those focusing on employees, in job advertisements to attract more talent. The applicant has to realize that working for a particular company is prestigious because it is socially active, but on top of that it is also aware of its employees and supports them and their self-fulfillment.

To attain such desirable CSR activities, the organization should foster the development of employee-specific measures to have a wide array of such CSR

activities. This study showed that especially practices that supported the professional development of employees, e.g. through training offers, were particularly popular among respondents. Even more popular are policies that allow a good work-life balance.

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## Appendices

### Appendix 1: Questionnaire – Study 1

1 = very unimportant	2 = unimportant	3 = neither important or unimportant	4 = important	5 = very important
<b>How important are the following to you when considering potential employers?</b>				
<b>Organizational attractiveness</b>				
1	Recognition/appreciation from management			1 2 3 4 5
2	A fun working environment			1 2 3 4 5
3	A springboard for future employment			1 2 3 4 5
4	Feeling good about yourself as a result of working for a particular organization			1 2 3 4 5
5	Feeling more self-confident as a result of working for a particular organization			1 2 3 4 5

6	Gaining career-enhancing experience	1	2	3	4	5
7	Having a good relationship with your superiors	1	2	3	4	5
8	Having a good relationship with your colleagues	1	2	3	4	5
9	Supportive and encouraging colleagues	1	2	3	4	5
10	Working in an exciting environment	1	2	3	4	5
11	Innovative employer – novel work practices/forward-thinking	1	2	3	4	5
12	The organization both values and makes use of your creativity	1	2	3	4	5
13	The organization produces high-quality products and services	1	2	3	4	5
14	The organization produces innovative products and services	1	2	3	4	5
15	Good promotion opportunities within the organization	1	2	3	4	5
16	Humanitarian organization - gives back to society	1	2	3	4	5
17	Opportunity to teach others what you have learned	1	2	3	4	5
18	Acceptance and belonging	1	2	3	4	5
19	The organization is customer-oriented	1	2	3	4	5
20	Job security within the organization	1	2	3	4	5
21	Hands-on inter-departmental experience	1	2	3	4	5
22	Happy work environment	1	2	3	4	5
23	An above average basic salary	1	2	3	4	5
24	An attractive overall compensation package	1	2	3	4	5
25	Corporate image and reputation	1	2	3	4	5
26	Training opportunities	1	2	3	4	5
27	Challenging and interesting work	1	2	3	4	5
<b>CSR – The company...</b>						
28	supports employees who want to acquire additional education	1	2	3	4	5
29	offers sufficient numbers of opportunities to develop my skills in my current job	1	2	3	4	5
30	policies encourage the employees to develop their skills and careers	1	2	3	4	5
31	implements flexible policies to provide a good work and life balance for its employees	1	2	3	4	5
32	is known as a respected and trustworthy company	1	2	3	4	5
33	contributes to schools, hospitals, and parks according to the needs of the society	1	2	3	4	5
34	contributes to campaign and projects that promote the well-being of the society	1	2	3	4	5
35	endeavors to create employment opportunities	1	2	3	4	5
36	implements special programs to minimize its negative impact on the natural environment	1	2	3	4	5
37	makes well-planned investments to avoid environmental degradation	1	2	3	4	5
38	targets sustainable growth which considers future generations	1	2	3	4	5
39	makes sufficient monetary contributions to charities	1	2	3	4	5
40	encourages its employees to participate in voluntary activities	1	2	3	4	5
<b>Demographic</b>						
46	Age					
47	Gender		W		M	
48	Country of origin					
41	Level of education					
42	Country of studies					

## Appendix 2: Questionnaire – Study 2

1 = Very Unlikely		2 = Unlikely		3 = Undecided		4 = Likely		5 = Very Likely	
How would you rate the following?									
1	I would exert a great deal of effort to work for this company.								1 2 3 4 5
2	I would be interested in applying for a job with the company.								1 2 3 4 5
3	I would like to work for the company.								1 2 3 4 5
4	I would accept a job offer.								1 2 3 4 5
5	I would not be interested in the company except as a last resort.								1 2 3 4 5
6	What is your gender?								W M
7	What is your age?								
8	Where are you from?								
9	Which degree are you completing and the moment?								
10	What are you studying?								



### Appendix 3: Job ad – Study 2

**FirstSteps.com**  
*start your career now*


**WHO WE ARE**

**Honiku is looking for new talent - Honiku is looking for YOU!**

Honiku is a leading sportswear company with operations in over 30 countries worldwide and more than 40,000 employees. With our headquarters located in New York, we run offices in many major cities like London, Amsterdam, Los Angeles, and Shanghai, where our designers get their inspiration for the fashionable urban style sportswear. Our range of products is varied and includes footwear, clothes, and sports accessories. You can also find all equipment you need for conventional sports like tennis, biking, football, running etc. Honiku operates in vibrant and modern metropolises and we are always up to date when new trend sports arise and include them in our assortment.



[CSR part only for treatment group: We at Honiku cherish our employees. And as a sports company, we know that life is not all about work. For that reason, we offer flexible working hours and the possibility to work from home to make your individual work-life balance possible. Besides, we offer various trainings and workshops to support the development of our staff's skills. We do not only value our employees, we also value our customers, suppliers, and the environment. Consequently, we only use organic cotton in our products. Furthermore, we work closely together with our suppliers and conduct strict audits to make sure that they abide by human rights, labor law, and environmental law. Additionally, we are active in our communities and organize yearly sports camps for underprivileged children. For extraordinarily talented athletes, we established a sports academy, where they receive a college education with special advancement in their respective field of sports.]

Our great success creates the need for new talent to expand our business even further. That is why Honiku is looking for you! To equip our new offices in Portugal, Germany, Spain, and Italy we need ambitious and talented staff from various areas like marketing, sales, finance, PR, human resources, design, and logistics.

**WHAT WE SEEK**

To be a viable candidate for us you have to fulfill some requirements. You need to have an above-average degree in a relevant field (e.g. business sciences, design). Our international operations require fluency in English and Portuguese, German, Spanish, or Italian depending on your favored destination. Besides you need to have at least six months of practical experience through appropriate internships (preferable in the sports or fashion industry) as well as a minimum of six months of experience abroad obtained within your studies or internships. Above all, a keen interest in sports is inevitable. If you are also motivated, creative, flexible, proactive, and a team-player, you are right for us.

**WHAT WE OFFER**

- Challenging and interesting work
- An exciting work environment which values and utilizes your creativity
- Innovative work processes to create high-quality products
- A happy and amicable working atmosphere in a supportive team
- An above-average salary and attractive benefits
- Job security with Honiku and great promotion opportunities
- A management who values and recognizes each individual's contribution
- Experiences and training that will boost your career with Honiku
- Opportunities to teach others what you have learned
- To feel proud of being a part of the Honiku world